

110TH CONGRESS  
2D SESSION

# H. R. 6401

To spur rapid and sustainable growth in renewable electricity generation in the United States through priority interconnection, renewable energy payments, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2008

Mr. INSLEE (for himself, Mr. DELAHUNT, Mr. HONDA, Mr. McDERMOTT, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Science and Technology and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To spur rapid and sustainable growth in renewable electricity generation in the United States through priority interconnection, renewable energy payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Renewable Energy  
5 Jobs and Security Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds that:

3 (1) Electricity produced from renewable re-  
4 sources helps to reduce greenhouse gas emissions,  
5 and limits emissions of other pollutants regulated  
6 pursuant to the Clean Air Act, enhances national en-  
7 ergy security, and provides substantial economic  
8 benefits.

9 (2) The need exists for the rapid expansion of  
10 low and zero carbon-emitting electric generation at  
11 a far greater pace than current levels.

12 (3) Distributed electric generation is energy ef-  
13 ficient, promotes grid stability and reduces trans-  
14 mission system congestion during periods of peak  
15 demand.

16 (4) A transition toward renewable energy  
17 sources brings economic benefit to consumers by re-  
18 ducing their exposure to increasingly volatile fossil  
19 fuel markets.

20 (5) Renewable energy payments, also known as  
21 “feed-in tariffs”, are a proven mechanism for accel-  
22 erating the development of renewable energy in grid-  
23 connected areas.

24 (6) By guaranteeing access to the grid and set-  
25 ting a favorable price per unit of power, feed-in tar-  
26 iffs ensure that renewable energy is a sound long-

1 term investment for companies, for industry, and for  
2 individuals and thereby creates a strong economic  
3 incentive for investing in renewable energy tech-  
4 nologies.

5 (7) The International Energy Agency, the Eu-  
6 ropean Commission and the United Kingdom's Stern  
7 Review have determined that feed-in tariff policies in  
8 Germany, Spain, France and other European Union  
9 countries have achieved larger renewable energy de-  
10 ployment at lower costs, compared with policies in  
11 other European Union countries.

12 **SEC. 3. PURPOSE.**

13 The purpose of this Act is to—

14 (1) enable the rapid and sustainable develop-  
15 ment of distributed renewable electricity generation  
16 in the United States;

17 (2) stimulate the development of new jobs and  
18 industry in the United States;

19 (3) create a stable and secure market for cap-  
20 ital investments in renewable energy technologies;

21 (4) reduce air and water pollution, related  
22 health problems and health-care expenditures;

23 (5) help prevent greenhouse gas concentrations  
24 in the atmosphere from reaching levels that would  
25 cause dangerous global temperature increases of

1 more than 2 degrees Celsius above pre-industrial lev-  
2 els;

3 (6) protect natural resources in the United  
4 States;

5 (7) allow all citizens to participate in renewable  
6 electricity generation;

7 (8) reduce the price volatility and long term  
8 costs of electricity;

9 (9) place the United States at the forefront of  
10 the global renewable energy revolution; and

11 (10) reduce the dependence of the United  
12 States on foreign sources of energy.

13 **SEC. 4. DEFINITIONS.**

14 Section 3 of the Federal Power Act (16 U.S.C. 794)  
15 is amended by adding the following new paragraphs at the  
16 end:

17 “(30) The term ‘renewable energy’ means en-  
18 ergy generated from—

19 “(A) solar thermal, solar photovoltaic,  
20 wind, geothermal or marine and hydrokinetic  
21 renewable energy;

22 “(B) biomass (as defined in section 9001  
23 of the Farm Security and Rural Investment Act  
24 of 2002 (7 U.S.C. 8101));

25 “(C) landfill gas;

1 “(D) biogas derived from farm waste; or

2 “(E) qualified hydropower.

3 “(31) The term ‘geothermal energy’ means en-  
4 ergy derived from a geothermal deposit (within the  
5 meaning of section 613(e)(2) of the Internal Rev-  
6 enue Code of 1986).

7 “(32) The term ‘marine and hydrokinetic re-  
8 newable energy’ means energy derived from—

9 “(A) waves, tides, and currents in oceans,  
10 estuaries, and tidal areas;

11 “(B) free flowing water in rivers, lakes,  
12 and streams;

13 “(C) free flowing water in an irrigation  
14 system, canal, or other man-made channel, in-  
15 cluding projects that utilize nonmechanical  
16 structures to accelerate the flow of water for  
17 electric power production purposes; or

18 “(D) differentials in ocean temperature  
19 (ocean thermal energy conversion).

20 “(33) The term ‘renewable energy facility’  
21 means an electric energy generation unit owned and  
22 operated by any person (including a utility) that—

23 “(A) is placed in service after December  
24 31, 2008;

1           “(B) provides electricity directly to the  
2           electric power grid;

3           “(C) uses renewable energy as its sole en-  
4           ergy source; and

5           “(D) has a nameplate capacity of not more  
6           than 20 megawatts.

7           “(34) The term ‘network upgrades’ means addi-  
8           tions or modifications to any system for the trans-  
9           mission or distribution of electric energy at or be-  
10          yond the point at which a generator interconnects to  
11          the system to accommodate renewable energy gen-  
12          erated by a renewable energy facility and delivered  
13          to the system.

14          “(35)(A) The term ‘qualified hydropower’  
15          means—

16               “(i) incremental hydropower generation  
17               that is achieved from increased efficiency or ad-  
18               ditions of capacity made on or after January 1,  
19               2009, at a hydroelectric facility that was placed  
20               in service before that date; or

21               “(ii) additions of capacity made on or after  
22               January 1, 2009, at an existing nonhydro-  
23               electric dam, if—

24                       “(I) the hydroelectric project installed  
25                       on the nonhydroelectric dam is licensed by

1 the Federal Energy Regulatory Commis-  
2 sion and meets all other applicable environ-  
3 mental, licensing, and regulatory require-  
4 ments, including applicable fish passage re-  
5 quirements;

6 “(II) the nonhydroelectric dam was  
7 placed in service before the date of the en-  
8 actment of this paragraph and operated  
9 for flood control, navigation, or water sup-  
10 ply purposes and did not produce hydro-  
11 electric power on the date of the enactment  
12 of this paragraph; and

13 “(III) the hydroelectric project is op-  
14 erated so that the water surface elevation  
15 at any given location and time that would  
16 have occurred in the absence of the hydro-  
17 electric project is maintained, subject to  
18 any license requirements imposed under  
19 applicable law that change the water sur-  
20 face elevation for the purpose of improving  
21 the environmental quality of the affected  
22 waterway.

23 “(B) The Federal Energy Regulatory Commis-  
24 sion shall certify if a hydroelectric project licensed at

1 a nonhydroelectric dam meets the criteria described  
 2 in subparagraph (A)(ii)(III).

3 “(C) Nothing in this paragraph shall affect the  
 4 standards under which the Federal Energy Regu-  
 5 latory Commission issues licenses for and regulates  
 6 hydropower projects under part I of the Federal  
 7 Power Act.”.

## 8 **TITLE I—INTERCONNECTION**

### 9 **SEC. 101. FEDERAL INTERCONNECTION STANDARDS FOR** 10 **RENEWABLE ENERGY FACILITIES.**

11 Part II of the Federal Power Act is amended by add-  
 12 ing the following new section after section 210:

### 13 **“SEC. 210A. EXPEDITED FEDERAL INTERCONNECTION** 14 **STANDARDS FOR RENEWABLE ENERGY FA-** 15 **CILITIES.**

16 “(a) FEDERAL STANDARDS.—In order to encourage  
 17 the use of renewable energy facilities and to ensure the  
 18 safety and reliability of renewable energy facilities and  
 19 transmission systems interconnected with those facilities,  
 20 within one year after the enactment of this section, the  
 21 Commission shall propose rules establishing standards for  
 22 the physical connection between—

23 “(1) renewable energy facilities; and



1           “(2) transmission facilities of transmitting utili-  
2           ties subject to the jurisdiction of the Commission  
3           under this part.

4           “(b) EXPEDITED PROCEDURES.—The standards  
5           under this section shall include separate expedited proce-  
6           dures for interconnecting renewable energy facilities up to  
7           10 kilowatts and a separate standard that expedites inter-  
8           connection for renewable energy facilities up to 2000 kilo-  
9           watts. In designing such expedited procedures, the Com-  
10          mission shall consider model rules published by the Inter-  
11          state Renewable Energy Council.

12          “(c) FINAL RULE.—Within 2 years after the enact-  
13          ment of this section, and after notice and opportunity for  
14          comment, the Commission shall promulgate, and from  
15          time-to-time thereafter revise, final standards under this  
16          section. Such revisions shall take into account changes in  
17          the underlying standards and technologies. Such revisions  
18          shall be made available to State regulatory authorities for  
19          their consideration prior to final promulgation.

20          “(d) SAFETY, RELIABILITY, PERFORMANCE, AND  
21          COST.—The standards under this section shall establish  
22          those measures for the safety and reliability of the affected  
23          equipment and transmission systems as may be appro-  
24          priate. Such standards shall be consistent with the reli-  
25          ability standards under section 215 and all applicable safe-

1 ty and performance standards established by the national  
2 electrical code, the Institute of Electrical and Electronics  
3 Engineers, Underwriters Laboratories, or the American  
4 National Standards Institute, and the North American  
5 Electric Reliability Council, yet constitute the minimum  
6 cost and technical burdens to the interconnecting renew-  
7 able energy facility as the Commission shall, by rule, pre-  
8 scribe.

9       “(e) ADDITIONAL CHARGES.—The standards under  
10 this section shall prohibit the imposition of additional  
11 charges by the owners or operators of transmission sys-  
12 tems for equipment or services for interconnection that are  
13 additional to those necessary to achieve the objectives of  
14 subsection (d).

15       “(f) RELIABILITY.—The rules under this section  
16 shall include provisions respecting minimum reliability of  
17 renewable energy facilities (including reliability of such fa-  
18 cilities during emergencies) and rules respecting reliability  
19 of electric energy service to be available to such facilities  
20 from transmitting utilities and public utilities during  
21 emergencies. Consistent with standards approved by the  
22 Commission under section 215, rules for the purchase of  
23 electric energy from a renewable energy facility shall also  
24 ensure that such purchases do not affect the reliability of

1 any person purchasing electric energy from the renewable  
2 energy facility.

3 “(g) GRID INTERCONNECTION-RELATED NETWORK  
4 UPGRADES.—The standards under this subsection shall  
5 provide the following:

6 “(1) The obligation to provide priority inter-  
7 connection for renewable energy facilities (as re-  
8 quired under subsection (h)) shall apply to:

9 “(A) Any transmitting utility providing  
10 transmission service subject to the jurisdiction  
11 of the Commission to electric utilities in a retail  
12 service territory that includes the renewable en-  
13 ergy facility if—

14 “(i) such transmitting utility is in  
15 possession of transmission facilities tech-  
16 nically suitable to receive electricity from  
17 the renewable energy facility; and

18 “(ii) there is no other transmission or  
19 distribution facility with a technically and  
20 economically more suitable connection  
21 point.

22 “(B) Transmission facilities shall be  
23 deemed to be technically suitable under sub-  
24 paragraph (A) even if feeding in the electricity  
25 requires the transmitting utility to upgrade its

1 transmission facilities at a reasonable economic  
2 expense, as determined by the Commission. In  
3 this case, the transmitting utility shall upgrade  
4 its transmission facilities without undue delay,  
5 if so requested by an interconnecting renewable  
6 energy facility.

7 “(C) The obligation to upgrade the trans-  
8 mission facilities shall apply to all technical fa-  
9 cilities required for operating the transmission  
10 system and to all connecting installations which  
11 are owned by or passed into the ownership of  
12 the transmitting utility.

13 “(2) EXCEPTIONS.—The standards under this  
14 section shall not require any transmitting utility to  
15 interconnect with renewable energy facilities or to  
16 provide priority access to available transfer capa-  
17 bility on the transmission system if the transmitting  
18 utility is already committed through long-term con-  
19 tracts to full capacity of its load and such utility has  
20 no ability to transmit any new generation from re-  
21 newable energy facilities to any other electric utility.

22 “(3) COSTS OF NETWORK UPGRADES.—The  
23 standards under this section shall provide that all  
24 prudently incurred costs associated with network up-  
25 grades to accommodate new renewable energy facili-

1       ties for the purchase and transmission of electricity  
2       produced from renewable energy facilities shall be  
3       initially borne by the electric utility or transmitting  
4       utility. The electric utility or transmitting utility  
5       shall be reimbursed for such costs through the re-  
6       gional cost sharing mechanism under section 225.

7       “(h) PRIORITY OF ORDERS.—Any renewable energy  
8       facility may apply to the Commission for an order requir-  
9       ing the interconnection of such facility with the trans-  
10      mission system of any transmitting utility in accordance  
11      with the standards under this section, and the Commission  
12      shall issue such an order after notice and opportunity for  
13      hearing in accordance with section 210(b). The Commis-  
14      sion shall give priority to the consideration of applications  
15      from renewable energy facilities under this section over ap-  
16      plications for orders under section 210 and shall ensure  
17      that applications by renewable energy facilities are given  
18      priority interconnection and priority access to available  
19      transfer capability on the transmission system over appli-  
20      cations from facilities that are not renewable energy facili-  
21      ties.

22      “(i) INTERCONNECTION CLUSTERING.—To facilitate  
23      the objectives of subsection (h) relating to interconnection  
24      and to reduce backlogs in the interconnection queue, the  
25      Commission may consider a clustering approach to the

1 interconnection of electric generation facilities with a  
 2 nameplate capacity greater than 2 megawatts. Under such  
 3 interconnection clustering procedures, requests for inter-  
 4 connection that are placed within succeeding 6-month pe-  
 5 riods may be eligible to be interconnected concurrently.

6 “(j) RELATIONSHIP TO EXISTING LAW REGARDING  
 7 INTERCONNECTION.—Except as otherwise provided in this  
 8 section, nothing in this section affects the application of  
 9 section 210 of this Act or section 111(d)(16) (relating to  
 10 interconnection) of the Public Utility Regulatory Policies  
 11 Act of 1978. Nothing in this section shall be interpreted  
 12 as an expansion of the jurisdiction of the Commission with  
 13 respect to the facilities subject to the jurisdiction of the  
 14 Commission.

15 “(k) EFFECTIVE DATE.—This section shall take ef-  
 16 fect with respect to applications submitted to the Commis-  
 17 sion under subsection (h) after the effective date of regula-  
 18 tions promulgated under this section.”.

19 **SEC. 102. ADOPTION OF CERTAIN STANDARDS.**

20 (a) INTERCONNECTION NOT SUBJECT TO FEDERAL  
 21 POWER ACT JURISDICTION.—Section 113(b) of the Public  
 22 Utility Regulatory Policy Act of 1978 (16 U.S.C. 2623)  
 23 is amended by adding the following at the end thereof:

24 “(6) INTERCONNECTION STANDARDS.—Each  
 25 electric utility shall adopt such standards for the

1 interconnection with renewable energy facilities as  
2 are necessary as to ensure that renewable energy fa-  
3 cilities are given priority interconnection and priority  
4 access to available capacity on the transmission and  
5 distribution system of such utility over electricity  
6 from facilities that do not generate electricity from  
7 renewable energy facilities and permit any renewable  
8 energy facility to apply to the State regulatory au-  
9 thority for an order requiring the interconnection of  
10 such facility with the system of the electric utility.  
11 Such standards shall be based on the standards pro-  
12 mulgated by the Commission under section 210A of  
13 the Federal Power Act. Such standards shall not af-  
14 fect the application of section 111(d)(15).”.

15 (b) CONFORMING AMENDMENTS.—Section 113(a) of  
16 such Act is amended by adding the following at the end  
17 of subsection (a): “For purposes of applying this section  
18 in the case of the standard under paragraph (6) of sub-  
19 section (b), in lieu of the two-year period referred to in  
20 this section there shall be substituted a period of one year  
21 after the date on which a rule is prescribed or revised by  
22 the Commission under section 210A.”.

1     **TITLE II—RENEWABLE ENERGY**  
2                     **PAYMENTS**

3     **SEC. 201. RENEWABLE ENERGY PAYMENT STUDY AND RE-**  
4                     **PORT.**

5             (a) DEFINITIONS.—

6                 (1) The term “renewable energy facility” has  
7             the meaning provided by section 3 of the Federal  
8             Power Act.

9                 (2) The term “Commission” refers to the Fed-  
10            eral Energy Regulatory Commission.

11            (b) IN GENERAL.—Not later than 1 year after the  
12            date of enactment of this Act, and every 2 years there-  
13            after, the Secretary of Energy, acting through the Law-  
14            rence Berkeley National Laboratory and the National Re-  
15            newable Energy Laboratory, shall jointly transmit to Con-  
16            gress and to the Commission a report that spatially maps  
17            national renewable energy resources and conducts cost as-  
18            sessments for renewable energy facility development with  
19            respect to all available technologies. Such reports may  
20            draw from reviews and assessments conducted pursuant  
21            to section 201 of the Energy Policy Act of 2005. Such  
22            reports shall each include each of the following:

23                 (1) Maps of renewable energy resource avail-  
24             ability based on the best available data and at the  
25             highest spatial resolution necessary to help identify



1 the best sites for the development of renewable en-  
2 ergy facilities.

3 (2) Recommendations for minimum tariff rates  
4 that should be paid during each of the following 2  
5 years to renewable energy facility operators to pro-  
6 vide for reasonable profits for renewable energy fa-  
7 cility owners (with consideration to development  
8 costs, including costs of manufacturing, installation,  
9 operation and maintenance) pursuant to the stand-  
10 ard under section 215 of the Public Utility Regu-  
11 latory Policies Act of 1978 (as amended by section  
12 202 of this Act), adjusted by an appropriate annual  
13 tariff degression, with consideration to the following:

14 (A) The maps described in paragraph (1).

15 (B) The goal is to provide for the profit-  
16 able development of renewable energy facilities  
17 that use available commercialized technologies  
18 and operate within regions that, on average, ex-  
19 perience the top 30th percentile of renewable  
20 energy resource potential in the United States.

21 (C) The best available scientific and elec-  
22 tricity market data, including data made avail-  
23 able through reports from amendments made by  
24 section 202 of this Act.

1           (D) The renewable energy technology mar-  
2           ket, including advancements in research, devel-  
3           opment, deployment and innovation.

4           (E) The percentage of renewable power  
5           generation for each technology that can be reli-  
6           ably accommodated on the electric grid.

7           (3) Recommendations to the Commission re-  
8           garding new renewable energy technologies that may  
9           be considered eligible for future power purchase  
10          agreements under the standard under section 210B  
11          of the Federal Power Act, as added by section 202  
12          of this Act.

13          (4) Other recommendations to the Commission  
14          and to State regulatory authorities regarding elec-  
15          tricity reliability, technical, economic, legal or safety  
16          considerations that could be acted upon in order to  
17          better achieve the purposes of this Act.

18          (5) Renewable energy facility operators shall  
19          upon request, provide the Commission, the State  
20          regulatory authorities, the Secretary of Energy (act-  
21          ing through the Lawrence Berkeley National Lab-  
22          oratory and the National Renewable Energy Labora-  
23          tory) any information that may be relevant to per-  
24          forming their duties under this Act.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to the Secretary of En-  
3 ergy such sums as may be necessary to carry out this sec-  
4 tion.

5 **SEC. 202. GUARANTEED POWER PURCHASE AGREEMENTS.**

6 (a) PUBLIC UTILITIES REGULATED UNDER THE  
7 FEDERAL POWER ACT.—Part II of the Federal Power Act  
8 is amended by adding the following new section after sec-  
9 tion 210A (as added by this Act):

10 **“SEC. 210B. RENEWABLE ENERGY PAYMENTS.**

11 “(a) RENEWABLE ENERGY PAYMENT RULES.—Not  
12 later than 2 years after the date of enactment of the Re-  
13 newable Energy Jobs and Security Act, the Commission  
14 shall prescribe, and from time-to-time thereafter revise,  
15 such rules as it determines necessary to encourage the  
16 purchase of electric energy by public utilities from renew-  
17 able energy facilities. The rules shall require public utili-  
18 ties to offer to purchase electric energy from renewable  
19 energy facilities in accordance with this section at uniform  
20 national rates established pursuant to this section. Each  
21 such public utility shall purchase electricity from renew-  
22 able energy facilities on a priority basis, and each trans-  
23 mitting utility (as defined in the Federal Power Act) shall  
24 transmit such energy on a priority basis. Such rules shall  
25 be prescribed, after consideration of recommendations

1 made in reports under section 201 of the Renewable En-  
2 ergy Jobs and Security Act, after consultation with rep-  
3 resentatives of State regulatory agencies having rate-  
4 making authority for electric utilities, and after public no-  
5 tice and a reasonable opportunity for interested persons  
6 (and State agencies) to submit data, views, and argu-  
7 ments. Such rules may not authorize a renewable energy  
8 facility to make any sale for purposes other than resale.

9 “(b) EFFECTIVE DATE.—The rules under this sec-  
10 tion shall apply only to contracts for the purchase and sale  
11 of electric energy from renewable energy facilities entered  
12 into after the effective date of such rules and before the  
13 date 20 years after such effective date.

14 “(c) RENEWABLE ENERGY PAYMENT RATES FOR  
15 PURCHASE OF POWER.—

16 “(1) PURPOSES.—The purposes of this sub-  
17 section are to—

18 “(A) provide for the profitable development  
19 of renewable energy facilities that use available  
20 commercialized technologies and operate within  
21 regions that, on average, experience the top  
22 30th percentile of renewable energy resource  
23 potential in the United States;

24 “(B) prevent excessive profits for renew-  
25 able energy facility operators;

1           “(C) minimize upward pressure on renew-  
2           able energy market prices; and

3           “(D) prevent unnecessary costs to rate-  
4           payers.

5           “(2) UNIFORM NATIONAL RATES.—Except as  
6           otherwise specified in this section, the rates paid for  
7           the purchase of electric energy from renewable en-  
8           ergy facilities under contracts entered into under  
9           this section shall be established on a uniform na-  
10          tional basis by the Commission by rule. Such rates  
11          shall be—

12                 “(A) fixed throughout the duration of a  
13                 contract extending for a period of at least 20  
14                 years;

15                 “(B) no less than the amount needed for  
16                 development plus a reasonable profit, with con-  
17                 sideration to—

18                         “(i) the technology used;

19                         “(ii) the year the installation is placed  
20                         into service; and

21                         “(iii) the size of the renewable energy  
22                         facility.

23           “(3) RATES OF RETURN.—Such rates shall be  
24           set to provide a nominal, post-tax project internal  
25           rate of return of not less than 10 percent after re-

1       covery of all operating and maintenance costs for  
2       projects sited in locations with favorable renewable  
3       energy resource potential, consistent with the pur-  
4       poses of this subsection.

5           “(4) BONUS TARIFFS.—Bonus rates may be  
6       paid to provide additional incentives for each of the  
7       following purposes:

8           “(A) Biogas-powered renewable energy fa-  
9       cilities to promote electric generation from  
10      biogas derived from farm waste.

11          “(B) Renewable energy facility develop-  
12      ment in areas where distributed generation re-  
13      duces grid congestion and improves overall grid  
14      efficiency.

15          “(C) For power delivered from renewable  
16      energy facilities on peak.

17          “(D) To renewable energy facilities with  
18      onsite energy storage capability that signifi-  
19      cantly increases the capacity factor or avail-  
20      ability.

21          “(5) PERIODIC ADJUSTMENT.—The Commis-  
22      sion shall review the rates under this subsection  
23      every 2 years and adjust those rates applicable to  
24      prospective contracts in accordance with paragraph

1       (2) and in a manner that is consistent with the pur-  
2       poses of this subsection.

3               “(6) DEGRESSION RATES.—For new facilities  
4       commencing construction in each year after the first  
5       year for which tariffs under this section applied to  
6       any facility, the tariffs rates paid under this stand-  
7       ard under this section may be reduced relative to the  
8       previous year in accordance with annual tariff de-  
9       gression rates. Such degression rate shall be specific  
10      to each technology.

11              “(7) PRIORITY.—The rules under the standard  
12      under this subsection shall require each public utility  
13      to purchase and each transmitting utility to transmit  
14      renewable energy from renewable energy facilities on  
15      a priority basis. Such requirement shall not apply if  
16      the public utility or transmitting utility is already  
17      committed through long-term contracts to full capac-  
18      ity of its load and such utility has no ability to  
19      transmit any new generation from renewable energy  
20      facilities to a neighboring utility.

21              “(d) RELIABILITY.—The rules under this section  
22      shall include provisions respecting minimum reliability of  
23      renewable energy facilities (including reliability of such fa-  
24      cilities during emergencies) and rules respecting reliability  
25      of electric energy service to be available to such facilities

1 from public utilities during emergencies. The rules shall  
2 also insure that such purchases do not affect the reliability  
3 of the purchasing public utility.

4 “(e) STANDARD CONTRACTS.—The Commission shall  
5 approve a standard contract to be used in all power pur-  
6 chase agreements under this section that are subject to  
7 the jurisdiction of the Commission under this part. The  
8 contract shall include the prices paid for each kilowatt  
9 hour generated, the duration of the contract. The Commis-  
10 sion shall provide public utilities subject to the jurisdiction  
11 of the Commission with standard contracts within 18  
12 months of the date of enactment of this subsection.

13 “(f) RELATIONSHIP TO OTHER FEDERAL AND STATE  
14 STANDARDS, REQUIREMENTS, TAXES, AND BENEFITS.—  
15 Except for accelerated tax depreciation, no person who  
16 elects to sell power under a contract under this section  
17 shall be entitled to any tax credits or deductions associated  
18 with renewable energy production under Federal tax laws  
19 or to any other incentives or benefits under any Federal  
20 law associated with renewable energy. Any State or utility  
21 may provide additional incentives to promote the deploy-  
22 ment of renewable energy facilities and, except as provided  
23 in subsection (g) with respect to net metering, any renew-  
24 able energy facility may utilize such benefits. No public  
25 utility making purchases of electric energy under a con-



1 tract under this section shall be exempt from any State  
2 law requiring minimum purchase percentages of renewable  
3 energy. No renewable energy facility making sales of re-  
4 newable energy to a public utility under this section shall  
5 be entitled to any credit or allowance for renewable energy  
6 generation under any such State or Federal law. Any cred-  
7 it or allowance for renewable energy generation needed to  
8 meet any State or Federal law requiring minimum pur-  
9 chases of renewable energy shall belong to the public util-  
10 ity that purchases electric energy under a contract under  
11 this section unless otherwise specified in State or Federal  
12 law.

13       “(g) NET METERING.—If energy generated by any  
14 renewable energy facility is eligible for net metering treat-  
15 ment under State law, all energy generated by such facility  
16 shall be subject to such State law in lieu of this section  
17 unless the owner or operator of the facility makes an elec-  
18 tion for such electric generation to be subject to this sec-  
19 tion. For renewable energy facilities interconnecting to  
20 public utilities within the jurisdiction of the Commission,  
21 the election shall be submitted to the Commission in such  
22 form and at such time as the Commission shall prescribe  
23 by rule. The election shall include notice to the appropriate  
24 State agency administering the State net metering pro-  
25 gram.

1       “(h) PUBLIC REPORTING REQUIREMENTS.—By Sep-  
2   tember 30 of each calendar year after 2009, each public  
3   utility shall publicly report to the Energy Information Ad-  
4   ministration without undue delay the following informa-  
5   tion recorded during the previous calendar year:

6               “(1) The network upgrade costs associated with  
7       compliance with the standards under section 210A  
8       of this Act.

9               “(2) The total quantity of electricity and the  
10      total amounts paid to renewable energy facility oper-  
11      ators in accordance with compliance with the rules  
12      under this section.

13              “(3) The total quantity of electricity delivered  
14      to by the public utility.

15              “(4) The total number of renewable energy fa-  
16      cilities of each technology and application in the  
17      area in which the public utility supplies electric en-  
18      ergy.

19              “(5) For each technology and application, the  
20      amount of growth in capacity installed relative to  
21      the number of new interconnections in the area in  
22      which the public utility supplies electric energy.

23              “(6) The total amount of electricity (in kWh)  
24      generated by renewable energy facilities and from

1       other renewable energy sources in the area in which  
2       the public utility supplies electric energy.

3           “(7) The proportion of wind development that  
4       is owned and operated by and for communities in  
5       the area in which the public utility supplies electric  
6       energy.

7           “(8) The proportion of solar development that  
8       is owned and operated by customers in the area in  
9       which the public utility supplies electric energy.

10          “(9) The location of new renewable energy facil-  
11       ity development relative to population density in the  
12       area in which the public utility supplies electric en-  
13       ergy.

14          “(i) REPORTS BY THE ENERGY INFORMATION AD-  
15       MINISTRATION.—In each of the first 2 years and every 2  
16       years thereafter after the enactment of this section, the  
17       Secretary of Energy, acting through the Energy Informa-  
18       tion Administration, shall make public and submit to Con-  
19       gress a report that shall include the number of new renew-  
20       able energy facilities in each State and the environmental  
21       benefits and effects of the addition of those generators.  
22       There are authorized to be appropriated to the Secretary  
23       of Energy such sums as may be necessary to carry out  
24       this subsection.

1       “(j) SAFETY AND PERFORMANCE STANDARDS.—(1)

2 All renewable energy facilities entering into contract under  
3 this section shall meet all applicable safety and perform-  
4 ance and reliability standards established under section  
5 215 or by the national electrical code, the Institute of  
6 Electrical and Electronics Engineers, Underwriters Lab-  
7 oratories, the North American Electric Reliability Cor-  
8 poration or the American National Standards Institute.

9       “(2) The Commission shall, after consultation with  
10 State regulatory authorities and nonregulated utilities and  
11 after notice and opportunity for comment, limit by regula-  
12 tion the imposition of additional charges by electric sup-  
13 pliers and local distribution system operators for equip-  
14 ment or services for safety or performance that are addi-  
15 tional to those necessary to meet the standards and re-  
16 quirements referred to in paragraph (1) of this subsection  
17 and subsection (g)(3) of section 210A of the Federal  
18 Power Act (relating to network upgrades).

19       “(k) EXEMPTIONS.—

20               “(1) IN GENERAL.—Sales of electric energy by  
21 renewable energy facilities under this section are ex-  
22 empt from regulation under other provisions of this  
23 part and from State laws and regulations respecting  
24 the rates, or respecting the financial or organiza-

1 tional regulation, of electric utilities, or from any  
2 combination of the foregoing.

3 “(2) EXCEPTIONS.—No renewable energy facil-  
4 ity shall be exempt under this subsection from—

5 “(A) the provisions of section 210, 211, or  
6 212 of this Act or the necessary authorities for  
7 enforcement of any such provision under this  
8 Act; or

9 “(B) any license or permit requirement  
10 under part I of this Act, any provision under  
11 this Act related to such a license or permit re-  
12 quirement, or the necessary authorities for en-  
13 forcement of any such requirement.

14 “(l) FEDERAL CONTRACTS.—No contract between a  
15 Federal agency and any electric utility for the sale of elec-  
16 tric energy by such Federal agency for resale which is en-  
17 tered into after the date of the enactment of this Act may  
18 contain any provision which will have the effect of pre-  
19 venting the implementation of any rule under this section  
20 with respect to such utility. Any provision in any such con-  
21 tract which has such effect shall be null and void.”.

22 (b) ELECTRIC UTILITIES NOT REGULATED BY  
23 FERC.—Section 113 of the Public Utility Regulatory  
24 Policies Act of 1978 is amended as follows:

1           (1) By adding the following new paragraph at  
2           the end of subsection (b):

3           “(7) STANDARD CONTRACTS FOR POWER PUR-  
4           CHASES FROM RENEWABLE ENERGY FACILITIES.—  
5           Each electric utility shall purchase electric energy  
6           from renewable energy facilities (as defined in the  
7           Federal Power Act) under standard contracts for a  
8           20-year period with rates that are the same as in  
9           the case of purchases of electric energy under con-  
10          tracts under section 210B of the Federal Power Act  
11          by public utilities subject to the jurisdiction of the  
12          Commission under that Act.”.

13          (2) By adding the following at the end of sub-  
14          section (a): “For purposes of applying this section in  
15          the case of the standard under paragraph (7) of sub-  
16          section (b), in lieu of the two-year period referred to  
17          in this section there shall be substituted a period of  
18          one year after the date on which a rule is prescribed  
19          or revised by the Commission under section 210B of  
20          the Federal Power Act.”.

21   **SEC. 203. REGIONAL COST SHARING MECHANISM.**

22          Part II of the Federal Power Act is amended by add-  
23          ing the following new section at the end thereof:

1 **“SEC. 225. REGIONAL COST SHARING MECHANISM.**

2       “(a) PURPOSE.—The purpose of this section is to fi-  
3 nance the power purchase agreements under the regula-  
4 tions under section 210B (and under the corresponding  
5 standard required by section 113(b)(7) of the Public Util-  
6 ity Regulatory Policies Act of 1978) and interconnection  
7 and network upgrades referred to in section 210A (and  
8 under the corresponding standard under section 113(b)(6)  
9 of the Public Utility Regulatory Policies Act of 1978) by  
10 creating a cost sharing mechanism that equally distributes  
11 additional costs of compliance with the Renewable Energy  
12 Jobs and Security Act to electricity customers on a re-  
13 gional basis.

14       “(b) COST SHARING.—Not later than 1 year after the  
15 date of enactment of this Act, the Commission shall, in  
16 consultation with State regulatory authorities and non-  
17 regulated utilities, design a regional cost redistribution  
18 mechanism that shall consist of a nonbypassable system  
19 benefits charge payable by every end-use consumer of an  
20 electric utility to the electric utility. Revenue from such  
21 charge shall be transferred to a national renewable energy  
22 corporation to be referred to as the ‘RenewCorps’ to be  
23 established by such utilities and approved by the Commis-  
24 sion for purposes of this section. The Commission shall  
25 design a system benefits charge, determine the amount of

1 such charge, and establish a cost distribution mechanism  
2 so as to achieve each of the following:

3           “(1) Full reimbursement to electric utilities and  
4           transmitting utilities for the costs associated with  
5           network upgrades and interconnection (including the  
6           carrying costs of capital while awaiting reimburse-  
7           ment) carried out in accordance with the standards  
8           under section 210A and section 113(b)(6) of the  
9           Public Utility Regulatory Policies Act of 1978 and  
10          for the additional costs of the power purchase re-  
11          quirements of section 210B and section 113(b)(7) of  
12          the Public Utility Regulatory Policies Act of 1978.

13           “(2) Ensure that systems benefits charges are  
14          based on energy usage.

15           “(3) Ensure that monthly charges shall apply  
16          to customers according to projected program costs.

17          “(c) COMPLIANCE WITH ACCOUNTING RULES.—  
18          RenewCorps shall comply with such accounting rules and  
19          other rules as may be established by the Commission.

20          “(d) REGIONAL DISBURSEMENT OF FUNDS.—

21           “(1) REIMBURSEMENT.—Funds received by  
22          RenewCorps from the systems benefits charge under  
23          this section shall be disbursed to electric utilities and  
24          transmitting utilities to provide reimbursement for—



1           “(A) the costs associated with network up-  
2           grades interconnection carried out in accord-  
3           ance with the standards under section 210A  
4           and section 113(b)(6) of the Public Utility Reg-  
5           ulatory Policies Act of 1978;

6           “(B) the additional costs of the power pur-  
7           chase requirements of section 210 B and sec-  
8           tion 113(b)(7) of the Public Utility Regulatory  
9           Policies Act of 1978 to reimburse such utilities  
10          for the full additional cost of such power pur-  
11          chase agreements (as adjusted under paragraph  
12          (3)).

13          “(2) QUARTERLY DISBURSEMENT.—Funds re-  
14          ceived by RenewCorps from the systems benefits  
15          charge under this section shall be disbursed on a  
16          quarterly basis. The Renew Corps shall distribute  
17          such revenue to electric utilities within each region  
18          of the North American Electric Reliability Corpora-  
19          tion (NERC) in the United States in proportion to  
20          the revenue raised within each such region.

21          “(3) AVOID DOUBLE COST RECOVERY.—Reim-  
22          bursements from RenewCorps to electric utilities and  
23          transmitting utilities for costs associated with com-  
24          pliance with the Renewable Energy Jobs and Secu-

1        rity Act may not also be eligible for recovery by any  
2        other means.”.

3    **SEC. 204. CONSISTENCY WITH ENVIRONMENTAL LAWS.**

4        Nothing in this Act shall be deemed to waive any ex-  
5        isting Federal or State environmental protection provision,  
6        including the requirements of any of the following:

7            (1) The National Forest Management Act of  
8        1976 (16 U.S.C. 472a et seq.).

9            (2) The Endangered Species Act of 1973 (16  
10       U.S.C. 1531 et seq.).

11           (3) The National Environmental Policy Act of  
12       1969 (42 U.S.C. 4231 et seq.).

13           (4) The Federal Water Pollution Control Act of  
14       1969 (33 U.S.C. 1251 et seq.).

15           (5) The Federal Land Policy and Management  
16       Act of 1976 (43 U.S.C. 1701 et seq.).

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